

(a) All fees which are collected during the quarter under the title IV-D State plan; and

(b) All interest and other income earned during the quarter resulting from services provided under the IV-D State plan.

[49 FR 36772, Sept. 19, 1984]

§ 304.95 [Reserved]

PART 305—AUDIT AND PENALTY

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AUTHORITY: 42 U.S.C. 603(h), 604(d), 652(a)(1), (4) and (g), and 1302.

SOURCE: 41 FR 55348, Dec. 20, 1976, unless otherwise noted.

§ 305.0 Scope.

This part implements the requirements in sections 452(a)(4) and 403(h) of the Act for an audit, at least once every three years, of the effectiveness of State Child Support Enforcement programs under title IV-D and for a possible reduction in Federal reimbursement for a State's title IV-A program pursuant to sections 403(h) and 404(d) of the Act. Sections 305.10 through 305.13 describe the audit. Section 305.20 sets forth audit criteria and subcriteria the Office will use to determine program effectiveness and defines an effective program for purposes of an audit. Section 305.98 sets forth the performance indicators the Office will use to determine State IV-D program effectiveness. Section 305.99 provides for the issuance of a notice and corrective action period if a State is found by the Secretary not to have an effective IV-D program. Section 305.100 provides for the imposition of a penalty if a State is found by the Secretary not to have had an effective program and to have failed

to take corrective action and achieve substantial compliance within the period prescribed by the Secretary.

[59 FR 66251, Dec. 23, 1994]

§ 305.1 Definitions.

The definitions found in § 301.1 of this chapter are also applicable to this part.

[59 FR 66251, Dec. 23, 1994]

§ 305.10 Timing and scope of audit.

(a) The Office will conduct an audit in accordance with sections 452(a)(4) and 403(h) of the Act, at least once every three years, to evaluate the effectiveness of each State's program in carrying out the purposes of title IV-D of the Act and to determine that the program meets the title IV-D requirements. The audit of each State's program will be a comprehensive review using the criteria prescribed in §§ 305.20 and 305.98 of this part.

(b) The Office will conduct an annual comprehensive audit in the case of a State that is being penalized. For a State operating under a corrective action plan, the review at the end of the corrective action period will cover only the criteria specified in the notice of non-compliance as prescribed in § 305.99 of this part.

(c) During the course of the audit, the Office will:

(1) Make a critical investigation of the State's IV-D program through inspection, inquiries, observation, and confirmation; and

(2) Use the audit standards promulgated by the Comptroller General of the United States in "Government Auditing Standards."

[50 FR 40140, Oct. 1, 1985; 50 FR 49392, Dec. 2, 1985, as amended at 59 FR 66252, Dec. 23, 1994]

§ 305.11 Audit period.

The audit will cover a period comprised of any 12 consecutive months. When the State is operating under a corrective action plan, the review will cover the first three-month period after the corrective action period. When the State fails to meet audit criteria related to the performance indicator under § 305.98 of this part, the review will cover the first full four quarters following the end of the corrective action period. The audit may, at State